

RESOLUTION NO. SA-17-57

A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE PROFESSIONAL SERVICES AGREEMENTS FOR MONTAGUE DEROSE AND ASSOCIATES, AS MUNICIPAL ADVISOR; JONES HALL, AS BOND AND DISCLOSURE COUNSEL; AND FRASER & ASSOCIATES, AS FISCAL CONSULTANT, TO PROVIDE FINANCIAL SERVICES FOR THE POSSIBLE REFUNDING OF THE SERIES 2010 TAX ALLOCATION BONDS AND REQUESTING THAT THE OVERSIGHT BOARD DIRECT THE SUCCESSOR AGENCY TO BEGIN THE PROCEEDINGS OF REFUNDING THE SERIES 2010 TAX ALLOCATION BONDS, INCLUDING APPROVING REFUNDING COSTS AS AN ENFORCEABLE OBLIGATION

WHEREAS, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, the City Council has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

WHEREAS, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

WHEREAS, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 was to make technical and substantive

amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including without limitation refunding or refinancing bonds or other indebtedness; and

WHEREAS, Health and Safety Code Section 34179 of AB 26 as amended by AB 1484 (collectively the "Dissolution Act") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act, the California Department of Finance ("DOF") has issued a Finding of Completion to the Successor Agency; and

WHEREAS, On November 18, 2010, the former Imperial Beach Redevelopment Agency (the "Former Agency") issued 2010 Tax Allocation Bonds (the "Series 2010 TABs") secured by the Former Agency's tax increment revenues as funding for the debt service obligations. The Series 2010 TABs were issued in order to finance redevelopment activities relating to improvements within the Palm Avenue/Commercial Development Project Area ("Project Area") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others; and

WHEREAS, debt service on the Series 2010 TABs is repaid solely with tax increment revenues generated within the Project Area. As of June 30, 2017, the outstanding principal balance was \$20,500,000 with principal maturities from June 1, 2018 through June 1, 2040. The Series 2010 TABs have interest rates ranging from 3.50% to 5.125%; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency may cause the refinancing or refunding of the Series 2010 TABs for debt service savings by issuing, or causing the issuance, of Tax Allocation Refunding Bonds (the "Refunding Bonds") in accordance with the Dissolution Act including, without limitation, Sections 34177.5 and 34180(b); and

WHEREAS, to determine compliance with the Dissolution Act, Section 34177.5, the Successor Agency has caused its municipal advisor to prepare an initial analysis of the potential savings. Based on current market interest rates, annual debt service savings are projected to average \$179,637 with a total Net Present Value savings greater than \$1.5M; and

WHEREAS, the Successor Agency desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refinancing/refunding the Series 2010 TABs at a comparatively lower interest rate than the current bond issue's average bond coupon rate and as low of a cost of issuance as possible; and

WHEREAS, in order to effectuate the refunding of the Series 2010 TABs, the Successor Agency desires to retain the services of Montague DeRose and Associates, Jones Hall, and Fraser & Associates to provide financial, legal and advisory services for the possible refunding of the Series 2010 TABs; and

WHEREAS, the Successor Agency staff has authorized the preparation of Professional Services Agreements (the "Agreements") to retain the services of Montague DeRose and Associates, Jones Hall, and Fraser & Associates and recommends the Successor Agency's

approval relating to same; and

WHEREAS, the fees for municipal advisor services for Montague DeRose and Associates shall be a not to exceed amount of \$55,000, which \$30,000 of the fee is non-contingent on the successful closing of the bond issuance; and

WHEREAS, the fees for bond and disclosure counsel services for Jones Hall shall be a not to exceed amount of \$60,000 for bond counsel services and a not to exceed amount of \$35,000 for disclosure counsel services, which fees are contingent on the successful closing of the bond issuance; and

WHEREAS, the fees for fiscal consultant services for Fraser & Associates shall be a not to exceed amount of \$25,000; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met;

NOW, THEREFORE, BE IT RESOLVED by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct, have served as the basis for the findings and approvals set forth below, and are a substantive part of this Resolution.
- Section 2.** Consistent with the authority provided to the City Council of the City pursuant to Municipal Code Section 3.04.160(G), the Successor Agency hereby waives any applicable formal bid requirements for the selection of Montague DeRose and Associates, Jones Hall and Fraser & Associates based on the unique nature of the services to be rendered and the complexity of the proposed refinancing transaction and due to the necessity and convenience for the management of the Successor Agency's affairs in this matter.
- Section 3.** Consistent with the compensation limits specified in the recitals above, the Successor Agency hereby approves the Professional Services Agreements ("Agreements") with Montague DeRose and Associates, Jones Hall, and Fraser & Associates in substantial form as the Agreements attached to the Staff Report for professional services related to the refinancing of the Series 2010 TAB.
- Section 4.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to execute the Agreements in substantial form as the Agreements attached to the Staff Report subject to the Oversight Board's approval of the Agreements as required by the Dissolution Act or desired by the Executive Director.
- Section 5.** The Executive Director, or designee, of the Successor Agency is hereby authorized to make non-substantive changes and amendments to the Agreements deemed necessary and as approved by the Executive Director of the Successor Agency and its legal counsel and to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.

Section 6. The Successor Agency hereby requests the Oversight Board to:

- A.** Direct the Successor Agency to proceed with preparation of documents and analysis required to refund the Series 2010 TAB, pursuant to Health and Safety Code Section 34177.5(f), so long as the savings regulations continue to be met; and
- B.** Authorize costs incurred to refund the Series 2010 TAB and issue the new bonds to be recognized as enforceable obligations to be recovered on the Successor Agency's Recognized Obligation Payment Schedule.

Section 7. The Successor Agency determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

Section 8. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 9. This Resolution shall take effect upon the date of its adoption.

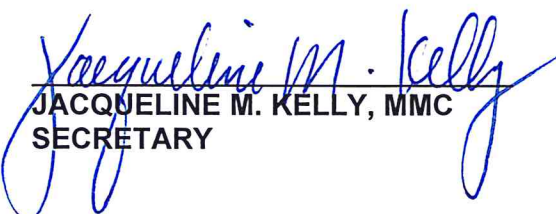
PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 1st day of November 2017, by the following vote:

AYES:	BOARDMEMBERS:	SPRIGGS, PATTON, WEST, BRAGG, DEDINA
NOES:	BOARDMEMBERS:	NONE
ABSENT:	BORADMEMBERS:	NONE



SERGE DEDINA,
CHAIRPERSON

ATTEST:



JACQUELINE M. KELLY, MMC
SECRETARY